

Union Calendar No. 243

96TH CONGRESS
1ST SESSION

H. R. 24

[Report No. 96-425]

To improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 1979

Mr. BROOKS introduced the following bill; which was referred to the Committee on Government Operations

SEPTEMBER 11, 1979

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 That this Act may be cited as the "General Accounting
2 Office Act of 1979".

3 TITLE I—GENERAL ACCOUNTING OFFICE
4 PROVISIONS

5 UNVOUCHERED EXPENDITURES

6 SEC. 101. Section 117 of the Accounting and Auditing
7 Act of 1950 (31 U.S.C. 67) is amended by adding at the end
8 thereof the following new subsection:

9 "(f)(1) Notwithstanding any provision of law heretofore
10 enacted permitting an expenditure to be accounted for solely
11 on the approval, authorization, or certificate of the President
12 of the United States or an official of a department or estab-
13 lishment, the Comptroller General shall be furnished such in-
14 formation as he may request and shall have access to such
15 books, documents, papers, records, and other information re-
16 lating to such expenditure as may be necessary to enable him
17 to determine whether the expenditure was, in fact, actually
18 made and whether such expenditure was authorized by law.
19 The provisions of this paragraph shall not be superseded
20 except by a provision of law enacted after the date of enact-
21 ment of this paragraph and specifically repealing or modify-
22 ing the provisions of this paragraph.

23 "(2) With respect to any expenditure accounted for
24 solely on the approval, authorization, or certificate of the
25 President of the United States or an official of a department

1 or establishment and notwithstanding any previously enacted
2 provision of law, no officer or employee of the General Ac-
3 counting Office may release the findings of its audit of such
4 expenditure or disclose any books, documents, papers, rec-
5 ords, or other information concerning such expenditure to
6 anyone not an officer or employee of the General Accounting
7 Office, except to the duly established committees of the Con-
8 gress having legislative or oversight responsibilities, under
9 the rules of the House of Representatives or of the Senate,
10 over the subject matter of the expenditure.

11 “(3)(A) Nothing in this subsection shall be construed as
12 affecting the authority contained in section 8(b) of the Central
13 Intelligence Agency Act of 1949, as amended.

14 “(B) The President may exempt from the provisions of
15 paragraph (1) of this subsection financial transactions which
16 relate to sensitive foreign intelligence or foreign counterintel-
17 ligence activities; such an exemption may be given for a class
18 or category of financial transactions.

19 “(C) Financial transactions taken pursuant to section
20 8(b) of the Central Intelligence Agency Act of 1949, as
21 amended, and financial transactions exempted from the provi-
22 sions of paragraph (1) shall be reviewable by the Permanent
23 Select Committee on Intelligence of the House of Repre-
24 sentatives and the Select Committee on Intelligence of the
25 Senate.”

1 ENFORCEMENT OF ACCESS TO RECORDS

2 ~~SEC. 102. Section 313~~ of the Budget and Accounting
3 ~~Act, 1921 (31 U.S.C. 54)~~, is amended by designating the
4 ~~existing paragraph as subsection (a)~~, by deleting the last sen-
5 ~~tence thereof and by adding at the end the following new~~
6 ~~subsections:~~

7 “(b) If any information, books, documents, papers, or
8 records requested under subsection (a) or any other provision
9 of law or agreement granting the Comptroller General a
10 right of access from any department or establishment have
11 not been made available to the General Accounting Office
12 within a period of twenty calendar days after the request has
13 been delivered to the office of the head of the department or
14 establishment involved, the Comptroller General, through
15 any attorney designated by him, is authorized to bring an
16 action in the United States District Court for the District of
17 Columbia against the head of the department or establish-
18 ment concerned to compel the furnishing of such material.
19 The Attorney General is authorized to represent the defend-
20 ant official in such actions.

21 “(e)(1) To assist in carrying out his functions, the
22 Comptroller General may sign and issue subpoenas requiring
23 the production of contractor and subcontractor records per-
24 taining to negotiated contracts and records of other non-Fed-
25 eral persons or organizations to which he has a right of

1 access by any law or agreement. Service of a subpoena issued
2 under this subsection may be made by anyone authorized by
3 the Comptroller General (A) by delivering a copy thereof to
4 the person named therein, or (B) by mailing a copy thereof by
5 certified or registered mail, return receipt requested, ad-
6 dressed to such person at his residence or principal place of
7 business. A verified return by the person so serving the sub-
8 pena setting forth the manner of service or, in the case of
9 service by certified or registered mail, the return post office
10 receipt signed by the person so served, shall be proof of
11 service.

12 “(2) In case of failure to obey a subpoena issued under
13 paragraph (1), the Comptroller General, through any attor-
14 ney designated by him, may invoke the aid of any district
15 court of the United States in requiring the production of the
16 records involved. Any district court of the United States
17 within whose jurisdiction the contractor, subcontractor, or
18 other non-Federal person or organization is found or resides
19 or in which the contractor, subcontractor, or other non-Fed-
20 eral person or organization transacts business, may, in case
21 of refusal to obey a subpoena issued under this section, issue
22 an order requiring compliance therewith; and any failure to
23 obey such order of the court shall be treated by the court as a
24 contempt thereof.”

1 **AVAILABILITY OF DRAFT REPORTS**

2 ~~SEC. 103.~~ Section 312 of the Budget and Accounting
3 Act, 1921 (31 U.S.C. 53) is amended by adding at the end
4 thereof the following new subsection:

5 “~~(f)~~(1) No portion of any report prepared by the Comp-
6 troller General shall be made available to any agency for
7 comment thereon for a period in excess of thirty days unless
8 the Comptroller General determines, upon a showing by such
9 agency, that a longer period is necessary and is likely to
10 result in improvement in the accuracy or reliability of such
11 report.

12 “(2) Only those portions of such reports which contain,
13 in the opinion of the Comptroller General, factual determina-
14 tions and conclusions shall be made available to an agency
15 under paragraph (1) of this subsection. Failure of an agency
16 to return comments on such portions by the conclusion of the
17 comment period established under such paragraph shall not
18 result in the delayed delivery of such reports.”

19 **APPOINTMENT OF THE COMPTROLLER GENERAL AND THE**
20 **DEPUTY COMPTROLLER GENERAL**

21 ~~SEC. 104.~~ (a) Section 302 of the Budget and Account-
22 ing Act, 1921 (31 U.S.C. 42), is amended to read as follows:

23 “~~SEC. 302.~~ (a) There shall be in the General Account-
24 ing Office a Comptroller General of the United States and a
25 Deputy Comptroller General of the United States who shall,

1 from a list of persons submitted by the Commission described
2 in subsection (b), be appointed by the President by and with
3 the advice and consent of the Senate. The Deputy Comptrol-
4 ler General shall perform such duties as may be assigned to
5 him by the Comptroller General. During the absence or inea-
6 pacity of the Comptroller General, or during a vacancy in
7 that office, the Deputy Comptroller General shall act as
8 Comptroller General.

9 “(b) Whenever, after the date of enactment of this sub-
10 section, a vacancy occurs in the Office of Comptroller Gener-
11 al, there is established a commission to recommend individ-
12 uals to the President for appointment to the Office of Comp-
13 troller General and whenever, after such date, a vacancy
14 occurs in the Office of Deputy Comptroller General, there is
15 established a commission to recommend individuals to the
16 President for appointment to the Office of Deputy Comptrol-
17 ler General. Such commission shall in either case consist
18 of—

19 “(1) the Speaker of the House of Representatives,

20 “(2) the President pro tempore of the Senate,

21 “(3) the majority and minority leaders of the
22 House of Representatives and the Senate,

23 “(4) the Chairman and ranking minority member
24 of the Committee on Government Operations of the

1 House of Representatives and of the Committee on
2 Governmental Affairs of the Senate, and

3 “(5) in the case of a vacancy in the office of
4 Deputy Comptroller General, the Comptroller General
5 of the United States:

6 Such commission shall, after consultation with the President,
7 submit to the President for consideration the names of not
8 less than three persons for the Office of Comptroller General:
9 *Provided*, That the President, within his discretion, may re-
10 quest that additional names be submitted.”.

11 (b) The first paragraph of section 303 of such Act (31
12 U.S.C. 42) is amended by striking out the first sentence and
13 inserting in lieu thereof the following: “Except as otherwise
14 provided in this section, the Comptroller General shall hold
15 office for fifteen years and the Deputy Comptroller General
16 shall hold office from the date of his appointment until the
17 date on which an individual is appointed to fill a vacancy in
18 the Office of Comptroller General. The Deputy Comptroller
19 General may continue to serve until his successor is appoint-
20 ed.”.

21 (c) The amendments made by this section shall not
22 apply to persons occupying the positions of Comptroller Gen-
23 eral and Deputy Comptroller General on the date of enact-
24 ment of this Act, but shall apply with respect to any vacancy

1 in such positions occurring on or after such date, and shall
2 apply to any person appointed to fill such a vacancy.

3 ~~TITLE II—CONFORMING AMENDMENTS WITH RE-~~
4 ~~SPECT TO THE INSPECTORS GENERAL OF~~
5 ~~THE DEPARTMENTS OF ENERGY AND~~
6 ~~HEALTH, EDUCATION, AND WELFARE~~

7 ~~AMENDMENT TO PUBLIC LAW 94-505~~

8 ~~SEC. 201.~~ Section 202(b) of the Act of October 15,
9 1976 (42 U.S.C. 3523), is amended to read as follows:

10 “(b) In carrying out the responsibilities specified in sub-
11 section (a)(1), the Inspector General shall—

12 “(1) comply with standards established by the
13 Comptroller General of the United States for audits of
14 Federal establishments, organizations, programs, activ-
15 ities, and functions;

16 “(2) establish guidelines for determining when it
17 shall be appropriate to use non-Federal auditors; and

18 “(3) take appropriate steps to assure that any
19 work performed by non-Federal auditors complies with
20 the standards established by the Comptroller General
21 as described in paragraph (1).”.

22 ~~AMENDMENT TO PUBLIC LAW 95-91~~

23 ~~SEC. 202.~~ Section 208 of the Department of Energy
24 Organization Act (42 U.S.C. 7138) is amended by inserting
25 at the end thereof the following new subsections:

1 “(h) In carrying out the responsibilities specified in sub-
2 section (b)(1), the Inspector General shall—

3 “(1) comply with standards established by the
4 Comptroller General of the United States for audits of
5 Federal establishments, organizations, programs, activ-
6 ities and functions;

7 “(2) establish guidelines for determining when it
8 shall be appropriate to use non-Federal auditors; and

9 “(3) take appropriate steps to assure that any
10 work performed by non-Federal auditors complies with
11 the standards established by the Comptroller General
12 as described in paragraph (1).

13 “(i) In carrying out the duties and responsibilities estab-
14 lished under this section, the Inspector General shall give
15 particular regard to the activities of the Comptroller General
16 with a view toward avoiding duplication and insuring effec-
17 tive coordination and cooperation.

18 “(j) In carrying out the duties and responsibilities estab-
19 lished under this section, the Inspector General shall report
20 expeditiously to the Attorney General whenever the Inspe-
21 tor General has reasonable grounds to believe there has been
22 a violation of Federal criminal law.”.

23 *That this Act may be cited as the “General Accounting*
24 *Office Act of 1979”.*

1 *TITLE I—GENERAL ACCOUNTING OFFICE*
2 *PROVISIONS*

3 *UNVOUCHERED EXPENDITURES*

4 *SEC. 101. Section 117 of the Accounting and Auditing*
5 *Act of 1950 (31 U.S.C. 67) is amended by adding at the end*
6 *thereof the following new subsection:*

7 *“(f)(1) Notwithstanding any provision of law heretofore*
8 *enacted permitting an expenditure to be accounted for solely*
9 *on the approval, authorization, or certificate of the President*
10 *of the United States or an official of an executive agency, the*
11 *Comptroller General shall have access to such books, docu-*
12 *ments, papers, records, and other information relating to such*
13 *expenditure as may be necessary to enable him to determine*
14 *whether the expenditure was, in fact, actually made and*
15 *whether such expenditure was authorized by law. The provi-*
16 *sions of this paragraph shall not be superseded except by a*
17 *provision of law enacted after the date of enactment of this*
18 *paragraph and specifically repealing or modifying the provi-*
19 *sions of this paragraph. In the case of an expenditure under*
20 *section 102, 103, 105(d) (1), (3), or (5), or 106(b) (2) or (3),*
21 *of title 3, United States Code, the provisions of sections 102,*
22 *103, 105(d), and 106(b) of such title shall govern the exami-*
23 *nation of such expenditures by the Comptroller General in*
24 *lieu of the provisions of this subsection.*

1 “(2) *With respect to any expenditure accounted for*
2 *solely on the approval, authorization, or certificate of the*
3 *President of the United States or an official of a department*
4 *or establishment and notwithstanding any previously enacted*
5 *provision of law, no officer or employee of the General Ac-*
6 *counting Office may release the findings of its audit of such*
7 *expenditure or disclose any books, documents, papers, rec-*
8 *ords, or other information concerning such expenditure to*
9 *anyone not an officer or employee of the General Accounting*
10 *Office, except to the President or the head of the agency con-*
11 *cerned or, in the case of unresolved discrepancies, to a duly*
12 *established committee or subcommittee of the Congress.*

13 “(3)(A) *Nothing in this subsection shall be construed as*
14 *affecting the authority contained in section 8(b) of the Cen-*
15 *tral Intelligence Agency Act of 1949, as amended.*

16 “(B) *The President may exempt from the provisions of*
17 *paragraph (1) of this subsection financial transactions which*
18 *relate to sensitive foreign intelligence or foreign counterintel-*
19 *ligence activities; such an exemption may be given for a class*
20 *or category of financial transactions.*

21 “(C) *Information concerning financial transactions*
22 *taken pursuant to section 8(b) of the Central Intelligence*
23 *Agency Act of 1949, as amended, and information concern-*
24 *ing financial transactions exempted from the provisions of*
25 *paragraph (1) shall be reviewable by the Permanent Select*

1 *Committee on Intelligence of the House of Representatives*
2 *and the Select Committee on Intelligence of the Senate.”.*

3 *ENFORCEMENT OF ACCESS TO RECORDS*

4 *SEC. 102. Section 313 of the Budget and Accounting*
5 *Act, 1921 (31 U.S.C. 54), is amended by designating the*
6 *existing paragraph as subsection (a) and by adding at the*
7 *end the following new subsections:*

8 *“(b) If any information, books, documents, papers, or*
9 *records requested under subsection (a) or any other provision*
10 *of law or agreement granting the Comptroller General a right*
11 *of access from any department or establishment have not been*
12 *made available to the General Accounting Office within a*
13 *period of twenty calendar days after the request has been*
14 *delivered to the office of the head of the department or estab-*
15 *lishment involved, the Comptroller General, through any at-*
16 *torney designated by him, may, after twenty calendar days*
17 *notice to the Attorney General, apply to the United States*
18 *District Court for the District of Columbia for an order re-*
19 *quiring the production of such material by the head of the*
20 *department or establishment. The Attorney General is au-*
21 *thorized to represent the defendant official in such proceed-*
22 *ings. Any failure to obey an order of the court under this*
23 *subsection shall be treated by the court as a contempt thereof.*

24 *“(c)(1) To assist in carrying out his functions, the*
25 *Comptroller General may sign and issue subpoenas requiring*

1 *the production of contractor and subcontractor records per-*
2 *taining to negotiated contracts and records of other non-Fed-*
3 *eral persons or organizations to which he has a right of access*
4 *by any law or agreement. Service of a subpoena issued under*
5 *this subsection may be made by anyone authorized by the*
6 *Comptroller General (A) by delivering a copy thereof to the*
7 *person named therein, or (B) by mailing a copy thereof by*
8 *certified or registered mail, return receipt requested, ad-*
9 *dressed to such person at his residence or principal place of*
10 *business. A verified return by the person so serving the sub-*
11 *pena setting forth the manner of service or, in the case of*
12 *service by certified or registered mail, the return post office*
13 *receipt signed by the person so served, shall be proof of*
14 *service.*

15 “(2) *In case of failure to obey a subpoena issued under*
16 *paragraph (1), the Comptroller General, through any attor-*
17 *ney designated by him, may invoke the aid of any district*
18 *court of the United States in requiring the production of the*
19 *records involved. Any district court of the United States*
20 *within whose jurisdiction the contractor, subcontractor, or*
21 *other non-Federal person or organization is found or resides*
22 *or in which the contractor, subcontractor, or other non-Feder-*
23 *al person or organization transacts business, may, in case of*
24 *refusal to obey a subpoena issued under this section, issue an*
25 *order requiring compliance therewith; and any failure to obey*

1 *such order of the court shall be treated by the court as a*
2 *contempt thereof.”.*

3 *AVAILABILITY OF DRAFT REPORTS*

4 *SEC. 103. Section 312 of the Budget and Accounting*
5 *Act, 1921 (31 U.S.C. 53) is amended by adding at the end*
6 *thereof the following new subsection:*

7 *“(f)(1) No portion of any draft report prepared by the*
8 *General Accounting Office shall be submitted to any agency*
9 *for comment thereon for a period in excess of thirty days*
10 *unless the Comptroller General determines, upon a showing*
11 *by such agency, that a longer period is necessary and is*
12 *likely to result in improvement in the accuracy of such*
13 *report.*

14 *“(2) Failure of an agency to return comments by the*
15 *conclusion of the comment period established under para-*
16 *graph (1) of this subsection shall not result in the delayed*
17 *delivery of any such report.*

18 *“(3) Whenever an agency is requested to comment on a*
19 *draft report, the Comptroller General shall—*

20 *“(A) in the case of any report initiated, pursuant*
21 *to subsection (b) of this section or otherwise, at the re-*
22 *quest of either House of Congress or by any committee*
23 *or member thereof, make such draft report available on*
24 *request to such House, committee, or member; or*

1 “(B) in the case of any other report, make such
2 draft report available on request to the Committee on
3 Governmental Affairs of the Senate and to the Com-
4 mittee on Government Operations of the House.

5 “(4) The Comptroller General shall prepare and issue
6 with the final version of any report of the General Account-
7 ing Office a statement of (A) any significant changes, from
8 any prior drafts of such report, in the findings, conclusions,
9 or recommendations which were based on an agency’s com-
10 ments on such a draft, and (B) the reasons for making such
11 changes.”.

12 APPOINTMENT OF THE COMPTROLLER GENERAL AND THE
13 DEPUTY COMPTROLLER GENERAL

14 SEC. 104. (a) Section 302 of the Budget and Account-
15 ing Act, 1921 (31 U.S.C. 42), is amended to read as follows:

16 “SEC. 302. (a) There shall be in the General Account-
17 ing Office a Comptroller General of the United States and a
18 Deputy Comptroller General of the United States who shall
19 be appointed by the President by and with the advice and
20 consent of the Senate. The Deputy Comptroller General
21 shall perform such duties as may be assigned to him by the
22 Comptroller General. During the absence or incapacity of the
23 Comptroller General, or during a vacancy in that office, the
24 Deputy Comptroller General shall act as Comptroller
25 General.

1 “(b) Whenever, after the date of enactment of this sub-
2 section, a vacancy occurs in the Office of Comptroller Gener-
3 al, there is established a commission to recommend individ-
4 uals to the President for appointment to the Office of Comp-
5 troller General and whenever, after such date, a vacancy
6 occurs in the Office of Deputy Comptroller General, there is
7 established a commission to recommend individuals to the
8 President for appointment to the Office of Deputy Comptrol-
9 ler General. Such commission shall in either case consist
10 of—

11 “(1) the Speaker of the House of Representatives,

12 “(2) the President pro tempore of the Senate,

13 “(3) the majority and minority leaders of the
14 House of Representatives and the Senate,

15 “(4) the chairman and ranking minority member
16 of the Committee on Government Operations of the
17 House of Representatives and of the Committee on
18 Governmental Affairs of the Senate, and

19 “(5) in the case of a vacancy in the office of
20 Deputy Comptroller General, the Comptroller General
21 of the United States.

22 Such commission shall submit to the President for considera-
23 tion the names of not less than five persons for the office of
24 Comptroller General. The President, within his discretion,
25 may request that additional names be submitted.”.

1 ***(b) The first paragraph of section 303 of such Act (31***
2 ***U.S.C. 43) is amended by striking out the first sentence and***
3 ***inserting in lieu thereof the following: "Except as otherwise***
4 ***provided in this section, the Comptroller General shall hold***
5 ***office for fifteen years and the Deputy Comptroller General***
6 ***shall hold office from the date of his appointment until the***
7 ***date on which an individual is appointed to fill a vacancy in***
8 ***the Office of Comptroller General. The Deputy Comptroller***
9 ***General may continue to serve until his successor is***
10 ***appointed."***

11 ***(c) The amendments made by this section shall not***
12 ***apply to persons occupying the positions of Comptroller Gen-***
13 ***eral and Deputy Comptroller General on the date of enact-***
14 ***ment of this Act, but shall apply with respect to any vacancy***
15 ***in such positions occurring on or after such date, and shall***
16 ***apply to any person appointed to fill such a vacancy.***

17 ***TITLE II—CONFORMING AMENDMENTS WITH***
18 ***RESPECT TO THE INSPECTORS GENERAL***
19 ***OF THE DEPARTMENTS OF ENERGY AND***
20 ***HEALTH, EDUCATION, AND WELFARE***

21 ***AMENDMENT TO PUBLIC LAW 94-505***

22 ***SEC. 201. Section 203(b) of the Act of October 15,***
23 ***1976 (42 U.S.C. 3523), is amended to read as follows:***

24 ***"(b) In carrying out the responsibilities specified in***
25 ***subsection (a)(1), the Inspector General shall—***

1 “(1) comply with standards established by the
2 Comptroller General of the United States for audits of
3 Federal establishments, organizations, programs, activ-
4 ities, and functions;

5 “(2) establish guidelines for determining when it
6 shall be appropriate to use non-Federal auditors; and

7 “(3) take appropriate steps to assure that any
8 work performed by non-Federal auditors complies with
9 the standards established by the Comptroller General
10 as described in paragraph (1).”.

11 AMENDMENT TO PUBLIC LAW 95-91

12 SEC. 202. Section 208 of the Department of Energy
13 Organization Act (42 U.S.C. 7138) is amended by inserting
14 at the end thereof the following new subsections:

15 “(h) In carrying out the responsibilities specified in
16 subsection (b)(1), the Inspector General shall—

17 “(1) comply with standards established by the
18 Comptroller General of the United States for audits of
19 Federal establishments, organizations, programs, activ-
20 ities and functions;

21 “(2) establish guidelines for determining when it
22 shall be appropriate to use non-Federal auditors; and

23 “(3) take appropriate steps to assure that any
24 work performed by non-Federal auditors complies with

1 *the standards established by the Comptroller General*
2 *as described in paragraph (1).*

3 “(i) *In carrying out the duties and responsibilities es-*
4 *tablished under this section, the Inspector General shall give*
5 *particular regard to the activities of the Comptroller General*
6 *with a view toward avoiding duplication and insuring effec-*
7 *tive coordination and cooperation.*

8 “(j) *In carrying out the duties and responsibilities es-*
9 *tablished under this section, the Inspector General shall*
10 *report expeditiously to the Attorney General whenever the*
11 *Inspector General has reasonable grounds to believe there*
12 *has been a violation of Federal criminal law.”.*

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96TH CONGRESS
1ST SESSION

H. R. 24

[Report No. 96-425]

A BILL

To improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes.

JANUARY 15, 1979

Referred to the Committee on Government Operations

SEPTEMBER 11, 1979

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